

Members

Sen. Connie Lawson, Chairperson
Sen. Murray Clark
Sen. Frank Mrvan
Sen. Connie Sipes
Rep. John Day
Rep. John Frenz
Rep. Vaneta Becker
Rep. Cleo Duncan



HEALTH AND CHILD CARE ISSUES EVALUATION COMMITTEE

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Authority: IC-2-5-21-10

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MEETING MINUTES¹

Meeting Date: October 30, 2002
Meeting Time: 2 P.M.
Meeting Place: State House, 200 W. Washington St., 233
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. Connie Lawson, Chairperson; Sen. Frank Mrvan; Rep. John Day; Rep. John Frenz; Rep. Vaneta Becker; Rep. Cleo Duncan.

Members Absent: Sen. Murray Clark; Sen. Connie Sipes.

Call to Order

Senator Lawson called the meeting to order at 2:15 pm. At the last meeting, Senator Lawson had asked other Committee members for suggestions and recommendations on how to proceed with the information received by the Committee. She called meeting to discuss Committee recommendations.

Issues Relating to the Child Care Development Fund

Since the prior meeting, Senator Lawson uncovered additional facts concerning Family and Social Services Administration (FSSA) monitoring of Daybreak, Inc., and she reported to the Committee. Senator Lawson said that the Department of Administration assures a contract will be fairly awarded and the Office of Attorney General confirms the contract will be enforceable. Senator Lawson asked the Committee if there should be other safeguards in place. She questioned whether a centralized reimbursement system would guarantee a responsive system. She asked the Committee members to decide if they should draft a resolution, provide recommendations in the minutes, or do nothing more.

Senator Lawson then asked Susan Kilty, Legislative Liaison, FSSA, to address the Committee concerning changes since the last report. Ms. Kilty indicated that FSSA continues to move forward

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on selecting a vendor for an electronic centralized reimbursement office (CRO). In response to questions from Representative Becker, Ms. Kilty said that FSSA has enacted numerous safeguards in new contracts with providers and included nonprofit language, but that there is no foolproof way to deal with fraud. Representative Becker recommended further review of the implementation of the CRO by this same time next year.

Senator Lawson indicated that the Board for Coordination of Childcare Regulation was looking at other aspects of the CCDF, in response to a question from Representative Becker. Senator Lawson then asked Ms. Kilty if the CRO would include ways to make comparisons among intake agents as a way to detect fraud. Ms. Kilty assured the Committee that, although FSSA was still in negotiation for the system, claims will not be paid unless there is an approved voucher. Ms. Kilty indicated that the system will be able to detect a claim for a child who does not have an approved voucher or a child with a voucher for another provider. Also, in response to a question from Committee, she said that eligibility for a child is reviewed every six months.

Representative Frenz asked who establishes eligibility for CCDF vouchers. The state sets the guidelines, and in each county there is an entity responsible for eligibility and intake, according to Ms. Kilty.

Senator Lawson asked if the centralized claims system will now separate the financial function from the intake function. Ms. Kilty indicated it would and added that through the negotiation process, FSSA has worked to develop management reports that will allow trend analysis. Senator Lawson suggested that a reasonable check on the system may be to compare provider to provider, agency to agency, as well as county to county. She then suggested that information at the child-client level may be helpful.

Representative Duncan asked if there are onsite inspectors who check that the children are actually in attendance. Ms. Kilty indicated that there are inspectors who are required to perform unannounced inspections for CCDF minimum standards and that these inspectors check for accurate attendance. Representative Becker wanted to know how an inspector would know that the attendance is accurate. Ms. Kilty said that the inspectors know who is supposed to be at the daycare. In response to a question from Representative Day, Ms. Kilty said that there were two unannounced inspections per year per facility, and in response to Senator Lawson, that while some providers were grandfathered in, every provider has had an inspection visit.

The Committee began deliberating recommendations concerning CRO safeguards through management reporting, having FSSA report back to the Committee in one year, and requesting that the Legislative Council continue the Committee for one year. As staff worked on the recommendations, the conversation turned to reallocation of funds from one county to another. Ms. Kilty said that the process currently takes place at the end of the year and that FSSA had not been reallocating funds. Representative Becker asked how many counties return money to the program and how many need money. Ms. Kilty indicated that she would provide the information to the Committee.

Recommendations - Child Care Development Fund

The Committee then considered the following recommendations:

- (1) The Committee recommends that the Family and Social Services Administration (FSSA):
 - (A) require in its contract for electronic central reimbursement office services for the Child Care and Development Fund (CCDF) program that the vendor provide, within the electronic central reimbursement system, fraud detection measures including the ability to compare for:
 - (1) children enrolled in the CCDF program;

- (2) providers enrolled in the CCDF program;
 - (3) intake agents; and
 - (4) counties, including a comparison of urban and rural county data; and
- (B) ensure that reimbursement to CCDF providers occurs in a timely manner.

(2) The Committee recommends that FSSA be prepared to report to the Committee during the 2003 interim concerning these recommendations and on the amount of unused CCDF funding that is returned by a county to the state and the amount reallocated to other counties during the year.

(3) The Committee requests that the Legislative Council provide an extension to allow the Committee to meet during the 2003 interim to conclude the Committee's work.

Upon proper motion and second, the motion to approve the recommendations passed by a vote of 6 to 0.

Issues Relating to the Health Professions Bureau

Senator Lawson next directed the Committee's attention to issues relating to the Health Professions Bureau (HPB). She indicated that the Legislative Council directed the Committee to consider the manner in which fees are established, use of revenues collected, and the flow of funds between the state General Fund and licensing board. She asked the members of the Committee for their concerns and if the Committee should make a recommendation.

Mr. Matt Hopper, Legislative Liaison, Health Professions Bureau, addressed Representative Day's question concerning an additional \$2 million in funds received for increased fees for nurses, indicating that the funds are deposited in the state General Fund. Representative Day said that the funds should be used to upgrade the profession, with training, for example.

Ms. Glenna Shelby, State Nurses Association, asked to address the Committee concerning a bill introduced in the 2002 regular session that would have addressed the state nursing shortage by requiring an additional license fee with revenues dedicated to a scholarship program. Representative Becker informed the Committee that the bill had been heard in committee, but did not make it further because of fiscal concerns. Representative Day described his support for a scholarship program, and Representative Frenz indicated that nursing homes had contacted him regarding the nursing shortage, especially those in small towns. Senator Lawson added that there are shortages for other health care professions. According to a recent article, 7,000 dentists were retiring while 4,000 new dentists were graduating.

Senator Lawson asked Mr. Hopper if the HPB is required to revert funds. Mr. Hopper indicated that the HPB is a reverting agency. He also asked to comment on the scholarship fund for nursing and, using an analogy to attorneys, indicated that the Bar Association is responsible for providing continuing legal education. He said that the HPB provides administrative services, not continuing education. Mr. Hopper indicated that an additional license fee of \$10 for a scholarship program and that a tax credit had been discussed. It costs \$0.06 a day to be a nurse in Indiana and \$3 of the current license fee goes to an impaired nurses fund, Mr. Hopper said.

Representative Becker asked Ms. Shelby to clarify that fee revenues go to the state General Fund and that the bill proposed separating some of those fees for a scholarship fund. Ms. Shelby explained that the nurses in her association would not mind contributing to training for new or existing nurses, because it would ease the stress at work if there were more nurses. She indicated that there is some money available to train nurses who are willing to work in under-served areas.

Mr. Hopper explained that fee increases have supported online licensure renewal which guarantees 24-hour turnaround for renewing an existing license. Additionally, the HPB was restructured using

the funds to better serve licensees.

Representative Becker indicated that she would like the Committee to make a recommendation supporting a scholarship fund. She said that there was a fiscal impact on the state either way, because the nursing shortage is increasing.

Senator Mrvan asked if colleges offered enough opportunities for nursing students, and Representative Frenz followed by asking about availability of nursing courses. Senator Lawson indicated that Ivy Tech turned away 100 students because of instructor shortages. Senator Mrvan asked if there was a shortage of interest among students. Ms. Shelby explained that there is a shortage of registered nurses with bachelors degrees, but there was a greater shortage of nurses with advanced degrees. She said that the slots are available in colleges, but that there is a shortage of instructors.

Senator Lawson then asked Committee members to turn in the LSA report, "Issues Relating to the Health Professions Bureau," to Exhibit 9. Ms. Karen Firestone, Program Analyst, LSA, detailed the table for the Committee which includes revenues by board, and expenditures and appropriations for HPB. Senator Lawson said that some legislators had been interested in establishing boards, but they did not have sufficient information about board costs to follow through. She asked if the HPB had tried to separate costs by board. Mr. Hopper explained that the boards used to be separate entities, but that the Legislature had joined the (then) 12 boards together, with the HPB as the administrator. He said that separating the costs by board is difficult to do. Senator Lawson disagreed that separating the costs was difficult and expressed her concern that one board may be reverting more money than another board. Mr. Hopper answered that certain costs, such as postage, are trackable to a board, but other things are not that direct. He pointed out that the HPB has recently reorganized so that employees are not dedicated to one board and dividing their salary among boards would be difficult.

Senator Mrvan expressed a concern that small boards carry their own weight. Mr. Hopper pointed out that the number of boards had increased in recent years, using resources to hire additional employees and having more expenditures for reimbursements to appointees. He said that fees were increased in 2001 and 2002 and that additional staff was not budgeted, but that the HPB is allowed augmentation in the budget bill. The question of whether there were sufficient funds, both within the fees currently collected and in the state for a scholarship program, then emerged.

Recommendations - Health Professions Bureau

The Committee considered the following recommendations:

- (1) The Committee recommends that the Health Professions Bureau:
 - (A) develop and implement methods of determining the actual direct and indirect cost per board of performing the duties necessary for providing administrative services to the board; and
 - (B) ensure that reversions of each board to the state General Fund are not excessive as compared to other boards.
- (2) The Committee supports future development of methods to utilize board revenues that are in excess of the amount necessary for the administration of the duties of the board for the development of the profession licensed or certified by the board.
- (3) The Committee supports the concept of utilization of a portion of nursing licensure fees to fund scholarships for undergraduate and graduate study in nursing.
- (4) The Committee recommends that the Health Professions Bureau be prepared to report to the Committee during the 2003 interim on the Health Profession's Bureau's progress on these recommendations.
- (5) The Committee requests that the Legislative Council provide an extension to allow the

Committee to meet during the 2003 interim to conclude the Committee's work.

Upon proper motion and second, the motion to approve the recommendations passed by a vote of 6 to 0.